



WestBond Enterprises Corporation

Management Discussion and Analysis

dated June 24, 2025, to accompany the consolidated financial statements for the year ended March 31, 2025

Caution Regarding Forward Looking Statements – There are many risk factors and uncertainties that may affect the Company’s actual results, performance, achievements, or developments. Consequently, all forward-looking statements in this report are qualified by this cautionary statement and the Company cannot assure investors that actual results, performance, achievements, or developments that the Company anticipates will be realized. Forward-looking statements are based on the beliefs of management and reflect management’s current plans, expectations, estimates, projections, beliefs and opinions and the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these expectations, plans, estimates, projections, beliefs, and opinions change, except as required by law. The forward-looking statements contained in this MD&A speak only as of the date of this MD&A.

Description of Our Business

We, WestBond Enterprises Corporation (“WestBond” or the “Company”), are a paper manufacturer and converter that manufactures disposable paper products for many market segments. We initially grew to become one of Canada’s leading manufacturers of medical disposables and later expanded our product offering to take advantage of high-volume opportunities in personal hygiene products for away-from-home markets. We sell mainly to major medical and industrial distributors in Canada and the USA.

Our product lines include clinical products such as examination table paper, sheets, pillowcases and gowns. The personal hygiene product line consists of hand towels and bathroom tissue in jumbo roll format as well as conventional formats. Our third major product line is patient wipes and underlays for long-term care facilities (nursing homes). We have expanded into a fourth product line, table top products, which include high quality air-laid paper napkins.

Our goal for the personal hygiene line is to increase sales by supplying a comprehensive paper product line directly to medium sized janitorial contractors providing public washroom maintenance services and to small and medium sized distributors who sell to the janitorial market. Our most significant competitors in the personal hygiene product line use wholesale master distributors who sell to smaller distributors that sell to smaller contractors. By selling direct to the smaller distributors, we eliminate the “middle-man” and are able to offer more competitive pricing. Also, unlike our most significant competitors, we will configure our products to customers’ specifications. Our current focus for expansion in this market is Canada and the western USA.

Our goal for the clinical and long-term care lines is to increase sales by continuing to provide quality products at competitive prices. Our focus for the clinical line is Canada and the USA. Long-term care products are also sold in Canada and the USA and its territories.

We sell a full range of air-laid napkins (table top) to major food service distributors in Canada and the USA. Sales of these high-quality air-laid products are expanding quickly.

Our plant equipment enables us to provide a comprehensive range of products for each of our product lines and allows us to utilize a wide variety of paper supplies, enabling us to take advantage of good raw material pricing opportunities.

We started production on our binder bonded air-laid paper making machine in August 2015. The machine can produce high quality air-laid paper that is in high demand in the health care and hospitality industries. We use this paper to service these markets and sell the surplus capacity to other converters that do not compete with us.

We started up a wet-wipe production line in August 2020 and commenced sales of disinfectant wipes to government distribution centers, health care distributors and janitorial supply distributors.

Personal Hygiene Products – We started this product line during 2002. Our decision to expand into personal disposables such as hand towels and bathroom tissue was based on demands by existing distributors who wanted to increase their purchasing ability with us. We evaluated this potential and determined that there was a high demand for these types of products. In addition, we soon learned that small to medium size distributors who sell to the janitorial market were not being serviced well by other paper converters.

The personal hygiene paper products include roll towels, jumbo roll bathroom tissue, conventional high-sheet-count bathroom tissue and a specialty line of roll towels and bathroom tissue. This specialty line provides us with high margin products that few converters are able to produce. We manufacture our products in 1 and 2 ply formats. In 2015, we introduced a premium line of air-laid roll towels to the market. We sell these products to Canadian and US distributors and janitorial contractors in large order quantities.

Clinical Products – Historically, this product line represented the Company's core business. Basically, all paper products that are used by clinics, physicians, chiropractors and physiotherapists form this product category. The equipment that was originally installed to manufacture these paper products is very flexible, reliable and high speed. This allows us to develop new products that could be in demand in the future.

Products in this group are sheets, examination table paper, pillowcases, gowns, and drapes. The equipment is able to convert roll format as well as sheet format products in many case pack and roll length configurations.

Wipe Products – The products that comprise this category were originally part of the Clinical Product Line. Sales in this area have increased to the point that we now dedicate additional production lines to these items. The products include patient wipes and underlays, primarily for use in nursing homes. All dry wipes are made with high quality air-laid paper which results in soft absorbent wipes which are used as disposable wash cloths and perineal wipes.

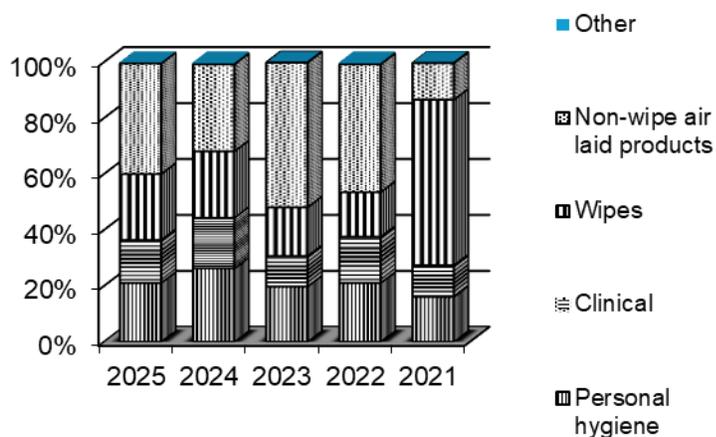
Products are available in 1/4-fold, 1/6-fold, 1/8-fold, and roll formats in a variety of widths and perforation lengths. The long-term care market is growing and we continue to develop new products for major Canadian and US distributors.

Our disinfectant wet-wipes, marketed under the brand name "ViroBan Plus" are also included in this category.

Non-Wipe Air-laid Products– This product line includes bulk air-laid parent rolls sold to other paper converters and our own line of high-quality air-laid napkins for use in restaurants. These napkins replace costly linen napkins and also out-perform conventional paper napkins, reducing operating costs of many restaurants. These products are sold through major food service distributors. We are now supplying air-laid napkins to a major, high profile national restaurant chain with a customized product. Having our own air-laid paper making machine is allowing us to grow this business substantially.

These four product groups represent WestBond's ability to adapt to market demands and develop product lines to satisfy these markets.

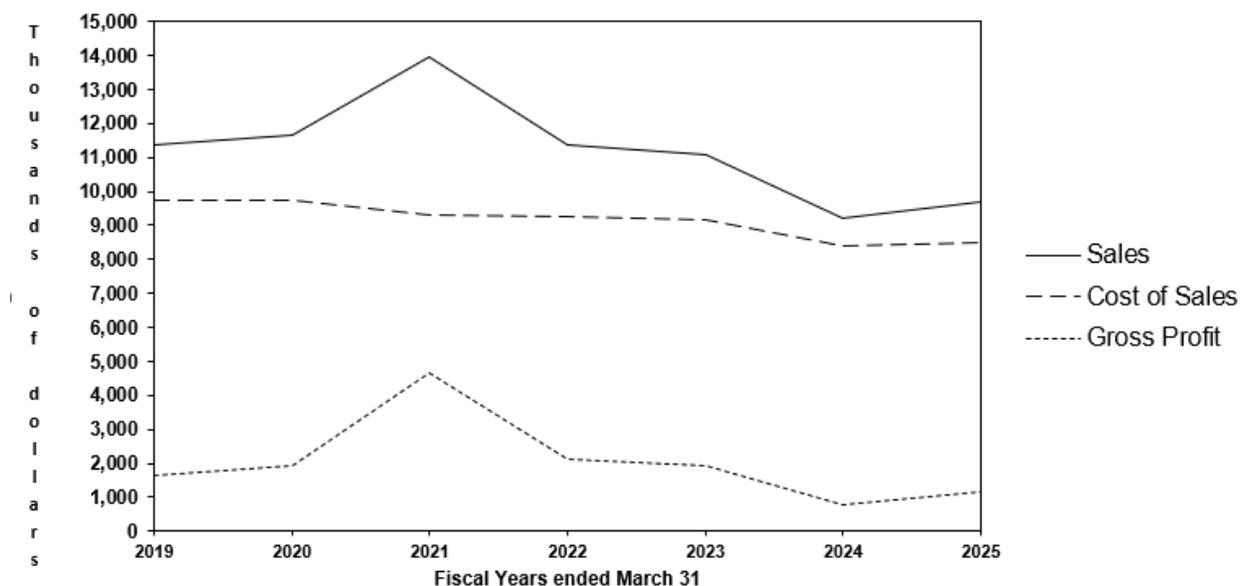
The following chart shows the portion of total sales that each of the product categories contributed during the years ended March 31, 2021, through 2025.



Discussion of Operations and Financial Condition

You should refer to our consolidated financial statements for the year ended March 31, 2025, while you read this discussion. Those financial statements provide significant, material information that is not meant to be, nor is it included in this discussion. This discussion is meant to provide information not included in the financial statements and an explanation of some of the financial statement information.

We realized a loss of \$52,380 during the year ended March 31, 2025, compared to a loss of \$210,683 for the year ended March 31, 2024. Our gross profit margin realized during 2025 was 12.0% compared to 8.7% for 2024. Our gross profit margin was higher in 2025 than in 2024 due to higher sales in comparison to the increase in cost of sales.



Selected Annual Information

We have summarized selected financial information from the Company's consolidated financial statements, which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS).

Operating Results	Years ended March 31					
	2025		2024		2023	
	\$	% of sales	\$	% of sales	\$	% of sales
Sales	9,673,002	100.0	9,219,948	100.0	11,089,793	100.0
Cost of sales	8,509,129	88.0	8,417,184	91.3	9,151,176	82.5
Gross profit	1,163,873	12.0	802,764	8.7	1,938,617	17.5
Selling and distribution expenses	167,469	1.7	155,042	1.7	147,205	1.3
General and administrative expenses	905,885	9.4	796,062	8.6	859,977	7.8
Other expenses and (income)	124,830	1.3	152,964	1.7	95,337	0.9
Profit (loss) before tax	(34,311)	(0.4)	(301,304)	(3.3)	836,098	8.0
Income tax expense	18,069	(0.2)	(90,621)	(1.0)	261,548	2.2
Profit and comprehensive income	(52,380)	(0.5)	(210,683)	(2.3)	574,550	5.8
Earnings per share, basic	(0.001)		(0.006)		0.016	
Earnings per share, fully diluted	(0.001)		(0.006)		0.016	
Cash dividends paid per common share	0.00		0.00		0.015	

Financial Position	March 31		
	2025	2024	2023
	\$	\$	\$
Non-Current Assets	8,262,708	9,209,702	10,060,501
Current Assets	4,157,649	3,484,469	3,360,205
Total assets	12,420,357	12,694,171	13,420,706
Non-Current Liabilities	2,906,323	3,394,774	3,835,984
Current liabilities	1,853,011	1,678,744	1,753,386
Shareholders' equity	7,661,023	7,620,653	7,831,336

Sales

Sales were \$9,673,002 for the year ended March 31, 2025, a 4.9% increase over the year ended March 31, 2024. The table below summarizes the sales of the Company for the last five fiscal years.

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Personal hygiene products	2,038,502	2,424,043	2,193,970	2,394,594	2,250,890
Clinical products	1,483,243	1,663,562	1,208,190	1,880,769	1,574,748
Wipe products	2,284,082	2,193,446	1,933,302	1,815,722	8,276,885
Non-clinical air-laid products	3,821,143	2,867,163	5,734,615	5,201,305	1,827,960
Other products	46,032	71,734	19,716	86,260	49,325
Total sales	9,673,002	9,219,948	11,089,793	11,378,650	13,979,808
Change over previous year	4.9%	-16.9%	-2.5%	-18.6%	19.8%

Sales were exceptional for the year ended March 31, 2021 due to a government supply contract for wet-wipe products that was not renewed. As a supplier of clinical and personal hygiene products, essential services, we remained in operation during the covid-19 pandemic shut-downs, which started in March 2020. Compared to the previous year, sales of wipe, and non-clinical air-laid products have increased while sales

of personal hygiene, clinical, and other products have decreased. The net result is an increase of 4.9% or \$453,054 in sales from 2024 to 2025. The largest increase is in the non-clinical air-laid products as a result of one of our former customers beginning to order air-laid parent rolls again, a new customer for air-laid parent rolls, and increasing sales for our air-laid napkins. We continue to invest in faster, more-efficient new equipment to add to our diverse line of products. The new equipment will add capacity to support our new markets. With improved staffing, we have been able to reduce our backlog of unshipped orders that persisted for several quarters since 2023.

In 2019, prior to covid-19, we committed to a disinfectant wipe production line because of the then existing market demands for these products. Most of our health care, janitorial and industrial customers carry these products. Covid-19 accelerated the demand for our ViroBan Plus disinfectant wipes which were introduced in late August 2020. We decided to support a government stockpiling contract for these wipes from August 2020 to January 2021. This contract was completed in January 2021 and sales continue at lower volumes with our regular distributors. Since then, demand for air-laid food service products and personal wipes has increased significantly.

We continue to supply customized air-laid napkins to a high-profile national restaurant chain, with the potential to increase sales in this category in the new year. Additionally, major American restaurant supply distributors have placed orders for our air-laid napkins. Demand for our products remains high and we have launched a rebranding of these products to aid in our marketing efforts.

Cost of Sales

The following table shows the components of cost of sales over the last five years.

	2025		2024		2023		2022		2021	
	\$	% sales								
Materials	4,280,985	44.3	4,163,527	45.2	4,829,167	43.5	5,141,268	45.2	5,287,611	37.9
Production labour	951,913	9.8	970,608	10.5	994,806	9.0	1,027,892	9.0	1,102,209	7.9
Factory overhead										
labour	516,594	5.3	501,762	5.4	483,711	4.4	472,864	4.2	589,335	4.2
Variable overhead	447,203	4.6	427,290	4.6	610,035	5.5	610,368	5.4	490,470	3.5
Fixed overhead	352,597	3.6	321,932	3.5	295,365	2.7	253,418	2.2	234,051	1.7
Shipping	770,338	8.0	790,746	8.6	806,944	7.3	770,955	6.8	663,992	4.8
Depreciation of										
- plant equipment	931,326	9.6	982,439	10.7	872,975	7.9	731,768	6.4	689,841	4.9
- right-of-use assets	258,173	2.8	258,880	2.8	258,173	2.3	258,173	2.3	258,174	1.8
Total cost of sales	8,509,129	88.0	8,417,184	91.3	9,151,176	82.6	9,266,706	81.5	9,315,683	66.7

*Cost of Sales for prior years updated to achieve a similar presentation to current year in terms of shipping cost. Refer to paragraph under "Accounting policies" later in this MD&A.

Materials are the most significant component of cost of sales. Bulk paper and pulp are our main materials cost. All of our products have a high materials component and a low labour component. Materials costs as a percentage of sales is lower compared to the previous year but within the expected range.

Unfavourable paper yields, the amount of product that a certain weight of paper produces, increased materials costs by a factor of 0.1% of sales in 2025, 0.3% of sales in 2024, 3.2% of sales in 2023, 2.9% of sales in 2022, and 0.6% in 2021. During part of the 2023 and 2022 fiscal years, we had difficulty purchasing paper in optimum grades and sizes, which meant we had to substitute more costly grades than standard, resulting in higher paper usage which caused higher than normal waste.

Paper prices can be volatile, additionally, our paper and pulp purchases are denominated in US dollars, which can fluctuate significantly. Our prices to our customers have been set to allow for paper cost increases of up to 10%.

Production labour in cost of sales averaged 9.8% in 2025, compared to 10.5% in 2024, 9% during 2023 and 2022, and 7.9% during 2021. Production labour cost as a percentage of sales decreased in 2025, mainly because of periodic shutdown of air-laid machine, while increasing efficiency with better scheduling production, offset by overtime payments and new hires. Production labour remained the same as a

proportion of sales in 2023 due to a lower labour cost because of a shortage of workers, offset by wage rate increases for most production employees and overtime pay made necessary by the labour shortage. The decrease in 2021 is from improved operating efficiencies and higher margins in 2021 and 2022 from our wet wipe product sales. The labour market near our factory has been tight during the last few years and it has taken extra time to find and train new machine operators. We increased our wage rates in 2023 in order to attract more employees.

Total factory overhead labour increased in 2025 and 2024 mainly because of payments to a consultant for overseeing the production plant and assisting with sales and marketing. Additionally in 2025, because of new hires, the training wages increased. These increases were offset by lay-offs. The increase in 2023 was due to the hiring of a production supervisor, a maintenance staff reallocation to full-time supervision, training of new staff and a general increase in wage rates. Factory overhead labour increased in 2021 as a percentage of sales due to higher wage rates. Variable overhead normally fluctuates slightly from one period to the next. Variable overhead incurred in 2025 is higher than in the previous year mainly because of increases in building maintenance and utility costs, offset by decreases in factory overhead supplies and waste disposal. In 2024 it is lower than in 2023 mainly due to decreases in maintenance parts and contractor costs, utility costs, and factory overhead supplies. Costs in 2023 and 2022 are higher than previous years due to increased electricity and gas to operate the air-laid paper machine. Gas and electricity costs decreased in 2024 and 2021 due to lower air-laid production. Variable overhead also increased in 2023, 2022 and 2021 due to higher waste disposal costs.

Fixed Overhead in 2025 increased due to an increase in factory rent and insurance, as in the previous year. Fixed overhead in 2024 includes \$24,600 in higher rent, and \$1,967 increase in insurance premiums. Fixed Overhead in 2023 includes \$42,396 in higher rent, while insurance premiums remained the same. Fixed overhead in 2022 includes \$14,056 in higher insurance premiums offset by \$5,311 in lower rent. Fixed overhead in 2021 includes \$17,035 in higher insurance premiums. Decreases in depreciation expense is because no new high value equipment was put into service, offset by disposal of equipment not in use, and the revision of the estimates of useful life of some equipment.

Selling and Distribution Expenses

Selling and distribution expenses were higher in 2025 than in 2024 because of a general increase in wages, and benefits, offset by a decrease in commissions.

General and Administrative Expenses

General and administrative expenses increased in 2025 mainly due to the stock options benefit granted, bad debts, and expected credit loss adjustments offset by the decrease in professional fees and corporate promotion expenses. It decreased in 2024 due to lower administration and office costs. It decreased in 2023 over 2022 due to a staff member being on maternity leave, staff vacations taken, offset by higher rates of pay.

We only deal with customers that we consider creditworthy and believe that we are not subject to significant risk due to bad debts. Nevertheless, in 2025, we wrote off \$10,626 as bad debts for a customer who ceased its operation. We regularly monitor our receivables aging and discuss overdue accounts with senior-level customer personnel to encourage more prompt payment and to evaluate future creditworthiness. At March 31, 2025, trade and other receivables include \$586,587 that is more than 30 days past due. We have provided for an expected credit loss (ECL) adjustment of \$30,000 as at March 31, 2025. The ECL adjustment created on March 31, 2024, was reversed in 2025 because we received payment for the doubtful amount. A majority of the outstanding balance is from a long-time customer who accounts for more than 10% of our annual sales. We believe that we will eventually receive full payment of these amounts.

During the year ended March 31, 2025, professional fees include \$14,459 paid to DuMoulin Black LLP, a law firm with which J. Douglas Seppala, one of our directors, was associated. The payments represent fees for legal services provided to the Company at rates normally charged to arm's length parties. During the year ended March 31, 2025, the Company incurred total compensation, comprising short-term employee benefits (including wages, salaries, bonuses, stock options, taxes and perquisites), of \$500,621 to key management personnel, comprising the chief executive and chief financial officer and the directors of the Company. \$493,944 of the compensation is included in general and administrative salaries and employee benefits, nil is included in administration and office and \$6,677 is included in other selling and distribution expenses.

Other Income and Expenses

We are exposed to fluctuations in the US/Cdn dollar exchange rates as portions of our cash, trade and other receivables, prepaid expenses and trade and other payables are denominated in US dollars. While the amounts of exposure change on a daily basis, in 2025 we generally had more US dollar financial assets than US dollar liabilities. Over the past year, our exposure ranged from US\$219,420 net assets to \$429,444 net liabilities and averaged US\$11,492 net assets (calculated on a monthly basis) and at March 31, 2025, net assets were US\$186,207. Each change of 1% (e.g., a change from US\$1.00 = Cdn\$1.35 to Cdn\$1.25) in the value of the US dollar in relation to the Cdn dollar results in a gain or loss (before income tax), with a corresponding effect on cash flows, of Cdn\$1,862 on an exposure of US\$186,207. The US dollar financial assets generally result from sales to US customers and prepayments to international suppliers. The US dollar financial liabilities generally result from purchases of raw materials from US and international suppliers.

Interest on our revolving bank loan fluctuates with the prime rate of interest.

Interest expense on the lease liabilities recognized on adoption of *IFRS-16_Leases*, calculated at 4.45% per annum, was \$73,141 during 2025 and \$85,463 during 2024.

Liquidity and Capital Resources

Our operating cash flows were \$1,295,730 during the year ended March 31, 2025, an average of \$107,978 per month, compared to \$53,574 per month during 2024, before accounting for fluctuations in non-cash working capital. At March 31, 2025, we had cash of \$143,266 and working capital of \$2,304,638 compared to cash of \$111,001 and working capital of \$1,805,725 at March 31, 2024. The increase is due to sales and cost of sales activity, equipment purchases, and term loan interest and principal payments, offset by operating cash flows.

We intend to spend around \$300,000 on equipment over the next year, which we will finance from operating cash flows, supplemented by our revolving bank loan facility.

We plan to re-invest our surplus cash flow in new equipment to continue to expand the Company's product lines and improve efficiency to pay dividends.

We have a revolving bank loan facility of \$1,500,000. The loan outstanding at any time may not be greater than the total of 75% of accounts receivable and 50% of inventory, less accounts payable having priority over the bank, such as to governments and employees. Accounts receivable older than 90 days and inventory in excess of \$750,000 are not included in the calculation. Substantially all of our assets are pledged as collateral. The amount currently available based on the March 31, 2025 Consolidated Statement of Financial Position is \$1,453,640. \$145,000 was outstanding under this facility at March 31, 2025.

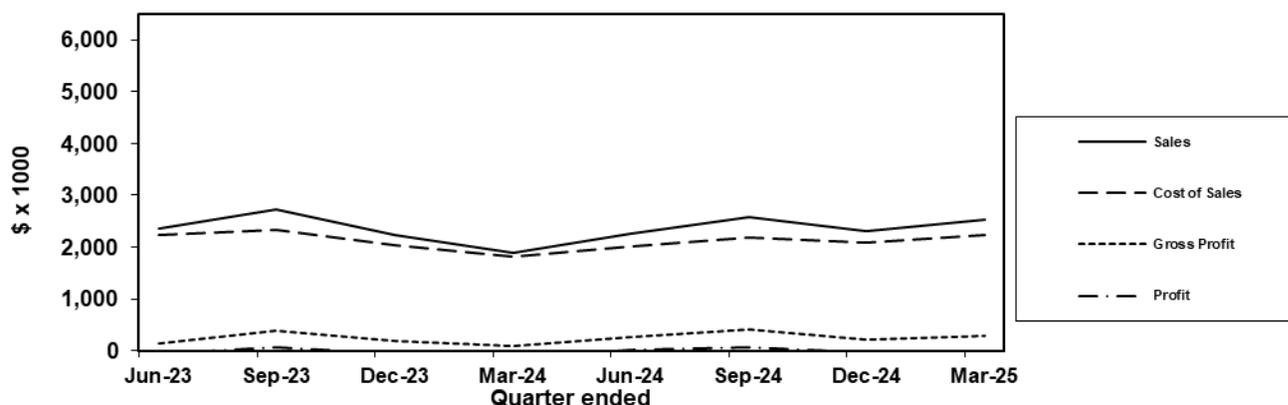
We use the revolving bank loan facility primarily to finance operating working capital. Inventory and accounts receivable levels normally fluctuate by as much as \$400,000 and accounts payable by an additional \$400,000. We purchase our paper supplies in relatively large quantities and often have large shipments to customers on credit, which are the main reasons for these fluctuations.

We have covenanted with the bank to maintain our consolidated ratio of current assets to current liabilities at 1.20:1 or higher, our consolidated ratio of debt (including deferred tax liability) to shareholders' equity at 2.00 or lower and our consolidated ratio of net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization (EBITDA) to interest expense plus the current portion of long term debt and capital leases at 1.25:1 or higher. We are in compliance with all of these covenants at March 31, 2025 and do not anticipate difficulty maintaining this compliance during the forthcoming year. If we are not compliant with these covenants, and are unable to obtain a waiver from the bank, the loan will become payable on demand.

Summary of Quarterly Results

The following table summarises the results of operations for the past eight quarters. We have extracted the data from our consolidated financial statements, which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards.

CAD\$ x 1,000	Quarters ended							
	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023
Sales	2,523	2,306	2,577	2,267	1,896	2,239	2,718	2,367
Cost of sales	2,235	2,082	2,179	2,013	1,817	2,041	2,322	2,237
Gross profit	288	224	398	254	79	198	396	130
Selling and distribution expenses	36	42	48	41	30	35	46	44
General and administrative expenses	329	193	222	161	242	204	201	149
Operating profit (loss)	(77)	(11)	128	52	(193)	(41)	149	(63)
Other expenses (income)	18	43	30	34	48	29	46	31
Profit (loss) before tax	(95)	(54)	98	18	(241)	(70)	103	(94)
Income tax expense (recovery)	-	(14)	27	5	(76)	(18)	28	(25)
Profit (net loss)	(95)	(40)	71	13	(165)	(52)	75	(69)
Earnings (loss) per share, basic and fully diluted - CAD\$	(0.003)	(0.001)	0.002	0.000	(0.005)	(0.001)	0.002	(0.002)
Dividends paid per share - CAD\$	-	-	-	-	-	-	-	-
Sales - % change over previous quarter	9.42	(10.55)	13.67	19.60	(15.30)	(17.60)	14.8	(5.70)
Costs, expenses and net income - % of Sales								
Cost of sales	88.6	90.3	84.5	88.8	95.8	91.2	85.4	94.5
Selling and distribution expenses	1.4	1.8	1.9	1.8	1.6	1.6	1.7	1.9
General and administrative expenses	13.1	8.3	8.6	7.1	12.8	9.1	7.4	6.3
Other expenses (income)	0.7	1.9	1.1	1.5	2.5	1.3	1.7	1.3
Income tax expense	-	(0.6)	1.1	0.2	(4.0)	(0.8)	1.0	(1.1)
Profit (loss)	(3.8)	(1.7)	2.8	0.6	(8.7)	(2.3)	2.8	(2.9)



*Cost of Sales for prior years updated to achieve a similar presentation to current year in terms of shipping cost. Refer to paragraph under "Accounting policies" later in this MD&A.

Sales for the three months ended March 31, 2025 were 33.1% higher than for the same period last year. Compared to the previous quarter, our sales were higher because of higher sales in all product categories except clinical products. The cost of sales is 1.7% lower when compared to the level of sales over the previous quarter. Materials, production labour, factory overhead labour, variable and fixed overhead costs were higher, offset by a decrease in shipping and depreciation costs. Selling and distribution costs in quarter four is lower than in quarter three. The increase in general and administrative expense is mainly because of the expected credit loss and the stock option benefit granted to the directors and employees. Compared to the previous quarter, quarter four has a foreign exchange gain, an increase in interest expense on revolving bank loan account and a reduction in interest on lease liabilities.

Share Capital and Outstanding share data

The Company has only one class of share capital, common shares without par value. The Company also has a stock option plan.

	<u>June 24, 2025</u>
Authorized common shares without par value	Unlimited
Issued common shares	35,625,800
Shares issuable on exercise of outstanding stock options	2,265,000
Shares available for future stock option grants	1,297,580

The stock option plan permits the directors of the Company to grant incentive options to the employees, directors, officers and consultants of the Company.

Related Party Transactions

During the year ended March 31, 2025:

The Company incurred total compensation, comprising short-term employee benefits (including wages, salaries, bonuses, stock options, taxes and perquisites), of \$500,621 (2024 – \$412,766) to directors and officers of the Company; and

The Company incurred \$14,459 (2024 – \$17,592) of legal fees in the normal course of operations with a firm with which a director of the Company was associated.

Accounting policies

The Company's material accounting policies are disclosed in Note 3 of the Company's consolidated financial statements.

Starting April 1, 2023, in order to achieve better categorization and measurement of cost of sales, the Company presents "Shipping costs" as part of Cost of sales in the Statement of (loss) profit and comprehensive (loss) profit. For equitable comparison in these consolidated financial statements, all related amounts reported from previous periods were reclassified to reflect a similar presentation. The adjusted presentation had no impact on Operating profit or Net Profit and Comprehensive Profit for the comparative year and had no impact on the statement of financial position.

Financial Instruments and risk management

The Company has various financial instruments including trade and other receivables, cash and cash equivalents, revolving bank loans, and trade and other payables. Cash and cash equivalents are at fair value. Trade and other receivables and financial liabilities are carried at amortized cost.

Cash and cash equivalents are held with a major financial institution. Trade and other receivables are the result of sales to a relatively wide customer base, primarily in North America. The Company only deals with customers that it considers creditworthy. During the year ended March 31, 2025 the Company recognized impairment loss of 10,626 (2024 – loss of nil) on trade receivables and provided for an expected credit loss (ECL) adjustment of \$30,000 as at March 31, 2025 (2024 - \$30,000). At March 31, 2025 \$295,407 (2024 – \$94,392) of trade and other receivables were between 31 and 60 days past due and \$291,180 (2024 – \$191,324) were more than 60 days past due. At March 31, 2025 the amount of \$434,760 was due from one customer (2024 – \$410,028, two customers) who represented more than 10% of trade and other receivables. This one customer represented 26% of the trade and other receivables.

(2024 – 36%, two customers). This customer is a long-standing customer who consistently makes regular payments.

The Company's revolving bank loan is at interest rates that fluctuate with market interest rates.

Portions of the Company's cash and cash equivalents, trade and other receivables, prepaid expenses and trade and other payables are denominated in US dollars; accordingly, the Company is exposed to fluctuations in the US/CAD dollar exchange rates. While the amounts of exposure change on a daily basis, in 2025 we generally had more US dollar financial assets than US dollar liabilities. Over the past year, our exposure ranged from US\$219,420 net assets to \$429,444 net liabilities and averaged US\$11,492 net assets (calculated on a monthly basis) and, at March 31, 2025, net assets were US\$186,207. Each change of 1% (e.g., a change from US\$1.00 = CAD\$1.35 to CAD\$1.25) in the value of the US dollar in relation to the CAD dollar results in a gain or loss (before income tax), with a corresponding effect on cash flows, of Cdn\$1,862 on an exposure of US\$186,207. During the year ended March 31, 2025 the Company realized foreign exchange loss of \$30,551 (2024 –loss of \$5,750). The US dollar financial assets generally result from sales to US customers and prepayments to international suppliers. The US dollar financial liabilities generally result from purchases of raw materials from US and international

Off-balance sheet arrangements

As at March 31, 2025 and the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

TSX-V listed companies are not required to provide representations in the interim and annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52- 109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for the Financial Statements

The Audit Committee is responsible for reviewing the contents of this document along with the consolidated financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company's disclosure controls and procedures during the year ended March 31, 2025.

Risk Factors

In addition to factors discussed elsewhere in this MD&A, the following risk factors, which are not exhaustive, could materially affect the Company's business, financial condition or results of operations and could cause

actual events to differ materially from those described in forward-looking statements relating to the Company. These risks include but are not limited to the following:

The market for our common shares is subject to volume and price volatility which could affect a shareholder's ability to buy or sell our shares.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, our common shares can also be subject to volatility resulting from purely market forces over which we will have no control.

Information Systems Security Threats

As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate change

Regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations. Westbond is committed to being a responsible Company in everything it does.

Epidemic diseases such as the recent COVID-19

The Company's business could be impacted by the effects of epidemic diseases such as COVID-19 which had a significant impact on businesses and people through the restrictions put in place by governments of most countries regarding travel, business operations, social distancing and quarantine orders. Epidemic diseases could impact the Company's product demand, as well as cause supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also positively or negatively impact the Company's business and financial condition.

Geopolitical risks

Uncertainties resulting from war conflicts between many countries. Although the Company does not have operations in those countries, the global impact of these wars in commodity prices, foreign currency exchange rates, supply chain challenges and increased prices may have adverse impacts on our costs of doing business.

Economic conditions, trade wars and tariffs

In March 2025, the USA government began imposing tariffs on goods from Canada and other countries around the world. Certain raw materials and sales occur with suppliers and customers that are impacted by these tariffs. No material impact has been noted or are expected on the financial position of the Company as at the year end, although the changing circumstances are expected to impact future decisions around buyers and customers and will be carefully monitored and managed. Further changes tariffs, trade wars or general economic conditions as a result thereof, could impact the Company's results and cost of doing business.

Other Information

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.westbond.ca.